

Message Text

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ACTION XMB-07

INFO OCT-01 AF-10 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 OPIC-12 SP-03

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R 261330Z AUG 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 6502

INFO AMEMBASSY LOME

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EO 11652: N/A

TAGS: EFIN, EIND, TO, DM

SUBJ: INDUSTRIE DAHOMEENNE DES TEXTILES S.A.

REF A. STATE 166720 B. LOME 1818

1. FOLLOWING INFO ON FIRST IDATEX PROJECT GATHERED FROM FIRMS' APPLICATION TO BCEAO FOR REDISCOUNTING RIGHTS (DOSSIER SHOWN TO EMBOFF BY SOURCE FROM BIAO): (A) FINANCING OF TOTAL COST OF 4.9 BILLION CFA BY FOLLOWING METHOD: 1 BILLION CFA FROM THE LOCAL BANKS IN DAHOMEY (BDD, BICI, AND SDB), THE REST BY SUPPLIER CREDITS PAYABLE IN 7 YEARS: COFACE (FRANCE): 2.4 BILLION CFA; HERMES (FRG): 350 MILLION CFA; DUCROIRE (BELGIUM): 350 MILLION CFA; SAURER AND SCHWEITZER (SWITZERLAND): 200 MILLION CFA; VARIMEX (POLAND): 100 MILLION CFA.

B. CONSTRUCTION: WORK CONTINUING NOW UNDER DIRECTION POLISH ENGINEERS. OPERATIONS NOW SCHEDULED BEGIN FIRST TRIMESTER 1975.

(C) CAPITAL PARTICIPATION: DAHOMEAN GOVERNMENT: 48 PERCENT; VOYER (FRANCE) 23.4 PERCENT; ARBATEX (FRG AND NETHERLANDS) 5.20 PERCENT. TOTAL WORKING CAPITAL IS 600 MILLION CFA.

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(D) SIX PRIVATE MEMBERS OF BOARD OF DIRECTORS INCLUDE FOUR

FROM VOYER AND TWO FROM ARBATER (INCLUDING FRAUENLOB OF ITT-
LOME CITED REF B)

(E) PROJECTED SALES: 95 PERCENT OF OUTPUT OF TEXTILE PRO-
DUCTS DESTINED FOR MARKETS IN EUROPE, MAINLY DUTCH AND GERMAN
CLIENTS OF ARBATEX. REMAINING PRODUCTION TO BE SOLD ON DAHOMEAN
MARKET.

(F) PROJECTED ANNUAL SALES: BETWEEN 3.6 AND 4.0 BILLION CFA.

2. FOR LOME: WHILE NEVER MENTIONING ITT AS HOLDING "MANAGE-
MENT CONTRACT" FOR IDATEX, DOSSIER DOES MENTION ITT AS SUPPLIER
OF RAW MATERIALS DURING CONSTRUCTION PHASE.

3. MRGD COUNCIL OF MINISTERS GAVE STATE "GUARANTEE" AUG 21 TO
TWO SUPPLIERS OFFERING CREDITS TO IDATEX. SAME GUARANTEE HAS
BEEN ROUTINELY GRANTED IN PAST TO ALL IDATEX SUPPLIERS, AS
WELL AS TO OTHER MAJOR INVESTMENT PROJECT FINANCING AGREEMENTS.

4. IN GENERAL, IDATEX PROJECT, IDATEX PROJECT IS HIGHLY
REGARDED WITHIN DAHOMEAN BUSINESS CIRCLES. ONE INDICATION IS
FACT THREE OUT OF FOUR LOCAL BANKS ARE INVOLVED IN FINANCING
(BIAO REFUSED ON BASIS BCEAO'S REFUSAL GRANT REDISCOUNTING
STATUS TO IDATEX AND FACT THAT ARBATEX'S MARKETING COMMITMENT
EXPIRES IN ONE YEAR). VOYER ALSO RESPECTED AS WELL-MANAGED
FIRM. POST UNABLE GET DIRECT IMPRESSION OF IDATEX OPERATIONS
SINCE ENTIRE COMPANY STAFF BASED IN PARAKOU.
CHESHES

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Message Attributes

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